

# TIT-BITS Vol. 4

## **CENTRAL BANK OF NIGERIA TO REGULATE LAY-OFF OF WORKERS - THE LEGALITY OR OTHERWISE**

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TOKUNBO ORIMOBIL P

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On May 2, 2020, the Bankers' Committee of the Central Bank of Nigeria ("**CBN**"), with a view to mitigating the negative impact of the Covid-19 pandemic on the livelihood of workers in the Nigerian banking industry, decided that no Nigerian bank should lay-off staff of any cadre (including full-time and part-time) without the express approval of the CBN (the "**Decision**"). This will appear to cover lay-off of workers howsoever arising, including through dismissal, involuntary retirement, termination, redundancy or release on medical grounds.

The Decision does not specify whether banks will be required to notify the CBN where any worker resigns, voluntarily retires, dies or abandons his duty post.

In our view, the Decision is nothing more than a non-binding stakeholder intervention that is unlikely to stand up to judicial scrutiny if challenged. This is because the requirement for the consent of the CBN is not based on any existing legislation empowering the CBN to regulate employment relationships. The fact that the Decision does not stipulate a penalty for failure to seek the approval of the CBN further lends credence to our view.

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Cf. The Guidelines for the Release of Staff in the Nigerian Oil and Gas Industry 2019 which were issued pursuant to Regulation 15A of the Petroleum (Drilling and Production) Regulations 1969 (as amended), which Regulations were made pursuant to the Petroleum Act Cap. P10 Laws of the Federation of Nigeria 2004.